The role and organization of the HR and L&D functions

06

- The HR role of line managers
- The role and organization of the L&D function
- The relationship between HRM and L&D

Introduction

This chapter describes the role and activities of the HR and L&D functions and how they are organized to deliver human resource management and learning and development. Reference is also made to the key role played by line managers in human resource management.

The role of HR

The HR function delivers HRM by providing insight, leadership, advice and services on matters affecting the management, employment, development, reward and well-being of people and the relationships between management and employees. Importantly, it makes a major contribution to the achievement of organizational effectiveness and success. The basic role of HR is to deliver HRM services. But it does much more than that. It plays a key part in the creation of an environment which enables people to make the best use of their capacities, to realize their potential to the benefit of both the organization and themselves, and to achieve satisfaction through their work.

Increasingly the role of HR is seen to be business orientated – contributing to the achievement of sustained competitive advantage. Becker and Huselid (1998: 97) argued that HR should be 'a resource that solves real business problems'. But one of the issues explored by Francis and Keegan (2006) is the tendency for a focus on business performance outcomes to obscure the importance of employee well-being in its own right. They quoted the view of Ulrich and Brockbank (2005: 201) that 'caring, listening to, and responding to employees remains a centrepiece of HR work'. The HR function and its members have to be aware of the ethical dimensions of their work.

HR activities

HR activities can be divided into two broad categories: (1) transformational (strategic) activities, which are concerned with developing organizational effectiveness and the alignment and implementation of HR and business strategies; and (2) transactional activities, which cover the main areas of

HR service delivery – resourcing, learning and development, reward and employee relations. A CEO's view on the HR agenda as quoted by Hesketh and Hird (2010: 105) was that it operates on three levels: 'There's the foundation level, which we used to call personnel, it's just pay and rations, recruitment, all that sort of stuff that makes the world go round, transactional work. Level two to me is tools, it could be engagement, reward, development, those sort of things. Level three is the strategic engagement.'

The organization of the HR function

The ways in which HR operates vary immensely. As Sisson (1990) commented, HR management is not a single homogeneous occupation – it involves a variety of roles and activities which differ from one organization to another and from one level to another in the same organization. Tyson (1987) claimed that the HR function is often 'Balkanized' – not only is there a variety of roles and activities but these tend to be relatively self-centred, with little passage between them. Hope-Hailey et al (1997: 17) believed that HR could be regarded as a 'chameleon function' in the sense that the diversity of practice established by their research suggests that 'contextual variables dictate different roles for the function and different practices of people management'.

The organization and staffing of the HR function clearly depend on the size of the business, the extent to which operations are decentralized, the type of work carried out, the kind of people employed and the role assigned to the HR function. A survey by Incomes Data Services (IDS, 2010) found that the overall median number of HR staff in the responding organizations was 14. In small and medium-sized companies (with 1 to 499 staff) the median number was 3.5, and in companies with 500 or more employees it was 20. While, as would be expected, large organizations employed more staff than small and medium enterprises (SMEs), they had on average, fewer HR staff per employee. For SMEs the median ratio of employees to HR staff was 62:1; in large employers it was 95:1. The overall ratio was 80:1.

A traditional organization might consist of an HR director responsible directly to the chief executive, with functional heads dealing, respectively, with recruitment and employment matters, learning and development, and reward management. Crail (2006: 15) used the responses from 179 organizations to an IRS survey of the HR function to produce a model of a HR department. He suggested that this 'might consist of a team of 12 people serving a workforce of around 1,200. The team would have a director, three managers, one supervisor, three HR officers and four assistants. Such a team would typically include a number of professionally qualified practitioners, particularly at senior level.' But there is no such thing as a typical HR function, although the 'three-legged stool' model as described below has attracted a lot of attention.

The three-legged stool model

The notion of delivering HR through three major areas – centres of expertise, business partners and HR service centres – emerged from the HR delivery model produced by Ulrich (1997, 1998), although, as reported by Hird et al (2010: 26): 'Ulrich himself has gone on record recently to state that the structures being implemented by HR based on his work are not actually his idea at all but an interpretation of his writing.' They noted that the first reference to the three-legged stool was in an article by Johnson (1999) two years after Ulrich published his delivery model. In this article Johnson quoted David Hilborn, an associate of William Mercer, management consultants, as follows (ibid: 44):

> The traditional design typically includes a vice president of HR, then a manager of compensation and benefits, a manager of HRIS and payroll, a manager of employment and so on. However, the emerging model is more like a three-legged stool. One leg of the stool includes an administrative service centre which processes payroll, benefits and the like and focuses on efficiency in transaction functions. The second leg is a centre of excellence (or expertise) in which managers and specialists work. These employees concentrate on design rather than transactions and will have line managers as their customers. HR business partners make up the third leg. They are generalists who usually report to line managers and indirectly to HR. These employees don't get involved in transactions, but instead act as consultants and planners, linking the business with appropriate HR programmes.

This exposition provided the blueprint for all subsequent versions of the model, which has evolved as follows:

- Centres of expertise – these specialize in the provision of high-level advice and services on key HR activities. The CIPD survey on the changing HR function (CIPD, 2007) found that they existed in 28 per cent of respondents' organizations. The most common expertise areas were training and development (79 per cent), recruitment (67 per cent), reward (60 per cent) and employee relations (55 per cent).
- Strategic business partners – these work with line managers to help them reach their goals through effective strategy formulation and execution. They are often 'embedded' in business units or departments.
- Shared service centres – these handle all the routine 'transactional' services across the business, which include such activities as recruitment, absence monitoring and advice on dealing with employee issues like discipline and absenteeism.

Although this model has attracted a great deal of attention, the Chartered Institute of Personnel and Development (CIPD) 2007 survey found that only 18 per cent of respondents had implemented all three 'legs', although

47 per cent had implemented one or two elements, with business partners being the most common (29 per cent). However, there are difficulties. Gratton (2003: 18) pointed out that: 'this fragmentation of the HR function is causing all sorts of unintended problems. Senior managers look at the fragments and are not clear how the function as a whole adds value.' And as Reilly (2007) commented, respondents to the CIPD survey mentioned other problems in introducing the new model. These included difficulties in defining roles and accountabilities, especially those of business partners, who risk being 'hung, drawn and quartered by all sides', according to one HR director. At the same time, the segmented nature of the structure gives rise to 'boundary management' difficulties, for example when it comes to separating out transactional tasks from the work of centres of expertise. The model can also hamper communication between those engaged in different HR activities. Other impediments were technological failure, inadequate resources in HR and skills gaps. Hird et al (2010: 31) drew attention to the following issues:

- an 'off-the-shelf' introduction of a new HR structure without careful thought as to how the model fits the organization's requirements;
- a lack of care in dealing with the boundary issues between elements of the HR structure which can easily be fragmented;
- a lack of attention to the new skill sets needed by business partners to ensure they can play at the strategic level;
- a lack of understanding on the part of managers as to the value of a new HR structure;
- a lack of skill on the part of line managers to make the required shift to greater responsibility for people issues implied by the new model;
- what is referred to as the 'polo' problem: a lack of provision of the execution of HR services as the business partner shifts to strategic work, and the centre of expertise to an advisory role.

However, some benefits were reported by respondents to the CIPD (2007) survey. Centres of expertise provide higher-quality advice. Business partners exercise better business focus, line managers are more engaged and the profile of HR is raised, while the introduction of shared services results in improved customer service and allows other parts of HR to spend more time on value-adding activities.

Evaluating the HR function

It is necessary to evaluate the contribution of the HR function in order to ensure that it is effective at both the strategic level and in terms of service delivery and support. The prime criteria for evaluating the work of the function are its ability to operate strategically and its capacity to deliver the levels of services required.

Research conducted by the Institute of Employment Studies (Hirsh, 2008) discovered that the factors that correlated most strongly with line managers' and employees' satisfaction with HR were:

- being well supported in times of change;
- HR giving good advice to employees;
- being well supported when dealing with difficult people or situations;
- HR getting the basics right.

However, the results showed that HR could do better in each of these areas. The conclusions reached were that HR must find out what its customers need and what their experiences of HR services are. HR has to be responsive – clear about what it is there for and what services it offers, and easy to contact.

The HR role of line managers

HR can initiate new policies and practices but it is the line that has the main responsibility for implementing them. In other words, 'HR proposes but the line disposes.' As Guest (1991: 159) commented: 'HRM is too important to be left to personnel managers.'

If line managers are not inclined favourably towards what HR wants them to do, they won't do it; or if compelled to, they will be half-hearted about it. On the basis of their research, Guest and King (2004: 421) noted that 'better HR depended not so much on better procedures but better implementation and ownership of implementation by line managers'.

As pointed out by Purcell et al (2003: 74) following their research, high levels of organizational performance are not achieved simply by having a range of well-conceived HR policies and practices in place. What makes the difference is how these policies and practices are implemented. That is where the role of line managers in people management is crucial: 'The way line managers implement and enact policies, show leadership in dealing with employees and in exercising control come through as a major issue.' Purcell and his colleagues noted that dealing with people is perhaps the aspect of their work in which line managers can exercise the greatest amount of discretion and they can use that discretion by not putting HR's ideas into practice. As they pointed out, it is line managers who bring HR policies to life.

A further factor affecting the role of line managers is their ability to do the HR tasks assigned to them. People-centred activities such as defining roles (job design), interviewing, reviewing performance, providing feedback, coaching, and identifying learning and development needs all require special skills. Some managers have them: many don't. Performance-related pay schemes sometimes fail because of untrained line managers.

Hutchinson and Purcell (2003) recommended that to improve the quality of the contribution line managers make to people management, it is

necessary to give them time to carry out their people management activities, pay more attention to the behavioural competencies they need when selecting them, and support them with strong organizational values concerning leadership and people management. To which can be added that better implementation and better ownership by line managers of HR practices are more likely to be achieved if: (1) the practice demonstrably benefits them; (2) they are involved in the development and, importantly, the testing of the practices; (3) the practice is not too complicated, bureaucratic or time-consuming; (4) their responsibilities are defined and communicated clearly; and (5) they are provided with the guidance, support and training required to implement the practice.

The role of HR is to work in partnership with line managers to help them in whatever way possible to manage their people effectively and achieve their goals.

The role, purpose and organization of the L&D function

The learning and development (L&D) function is responsible for formulating and implementing learning and development strategies that are integrated with and support business strategies. The role of the function is to:

- develop and maintain a learning culture;
- Identify learning needs;
- promote workplace and self-directed learning;
- advise and guide line managers on their responsibilities for training and developing their staff;
- develop and deliver learning events and programmes to meet identified needs;
- evaluate the effectiveness of learning events.

Members of an L&D function or anyone responsible for L&D activities can be described as 'enablers of learning'.

The term 'learning and development' (L&D) is used rather than the alternative 'human resources development' (HRD) in accordance with the view expressed by Harrison (2009: 5) that: 'The term human resource development retains its popularity among academics but it has never been attractive to practitioners. They tend to dislike it because they see its reference to people as a "resource" to be demeaning. Putting people on a par with money, materials and equipment creates the impression of "development" as an unfeeling, manipulative activity.'

In practice, the two terms, HRD and L&D, are almost indistinguishable. They are indeed often used interchangeably by commentators and practitioners. However, the introduction of 'learning' has emphasized the belief

that what matters for individuals is that they are given the opportunity to learn, often for themselves but with guidance and support, rather than just being on the receiving end of training administered by the organization.

The L&D function may exist as part of an all-embracing HR function (eg a centre of excellence), although in some smaller organizations there may not be a distinct function – L&D will be one of the responsibilities of HR generalists. L&D is sometimes but not often a separate function. However, the essential role of the function is unaffected by where it is placed in the organization in relation to HRM, although what is practised and how it is practised varies immensely according to the size and context of the organization; and the extent to which it can exert influence will be affected by the degree to which it has access to those ultimately responsible for managing the organization and its people.

Purpose and aims of the L&D function

The starting point in considering the role of the L&D (HRD) function is to answer the question 'What is its purpose?' As noted by McGoldrick et al (2001: 346), debates on the purpose of HRD 'centre on the learning versus performance perspectives. Should HRD practice focus on the well-being of the individual or should the interests of the shareholders predominate?' The answer is, of course, that L&D should be concerned with both. But Lee (2005: 105) commented that: 'HRD… finds itself in the forefront of the battleground between people-centred and for-profit motives and thus operating in an environment fraught with ethical quandaries.'

In meeting both purposes, the aims of the L&D function are to:

- ensure that L&D strategies support the achievement of business goals, satisfy the learning and development needs of employees and are integrated with complementary HR strategies;
- create and sustain a learning culture, ie an environment which promotes learning because it is recognized by all concerned as an essential organizational process to which they are committed and in which they engage continuously;
- identify organization, team and individual learning needs;
- develop organizational learning strategies to meet organizational needs;
- encourage and facilitate workplace learning for individuals and teams;
- plan and deliver learning events and programmes designed to satisfy identified needs;
- evaluate the effectiveness of organizational learning, workplace learning and learning programmes and events.

The approach to L&D

Mabey and Salaman (1995) identified six conditions which had to be met to demonstrate a rational and strategic approach to L&D:

- alignment with organization objectives;
- senior management support;
- involvement of line managers;
- quality of programme design and delivery;
- motivation of trainees;
- integration with HRM policy.

What L&D practitioners do

Potentially the most important activity of L&D specialists is to encourage, guide and help line managers deliver their training responsibilities. However, although the emphasis in current thinking is on enabling learning rather than just delivering training, the reality is that many L&D practitioners are still in the training business. As Poell (2005: 85) noted: 'Although it is common nowadays to assert that employees are self-responsible for their own learning and careers, in practice HRD professionals will spend most of their time coordinating, designing and delivering training to employees.' And on the basis of their trans-Europe research, Sambrook and Stewart (2005: 79) concluded that: 'Despite the wishes and, in some cases, the efforts of HRD professionals, learning and development practice still relies to a significant extent on traditional and formalized training interventions.'

It is not difficult to understand why this is happening. The systematic training approach, ie training specifically designed, planned, implemented and evaluated to meet defined needs, is traditionally what professional trainers are expected to do, so they do it. The promotion and facilitation of self-directed and workplace learning are not a recognized requirement and are more difficult, so they do not do these.

The delivery of formal learning events or programmes therefore continues to be a major activity and it is important to get it right. To ensure that a learning event or programme is effective, the L&D function has to do the following:

- Base the event or programme on a thorough evaluation of learning needs.
- Set clear objectives for the outcomes of the event or programme.
- Set standards for the delivery of the event or programme.
- Establish success criteria and methods of measuring success.
- Use a blend of learning and development methods – informal and formal – which are appropriate for the established needs of those taking part.

- Clarify the responsibilities for planning and delivering the event or programme. This will include careful briefing if the training is outsourced.
- Check that those responsible for the learning activity are well qualified in whatever role they are expected to play.
- Allocate adequate resources to the event or programme.
- Gain the support of top management.
- Check that the event or programme is implemented effectively as planned, within its budget and in accordance with the defined standards.
- Monitor the delivery of a programme regularly to check that it meets the defined objectives and standards.
- Evaluate the achievements of the event or programme against the success criteria and take swift corrective action to deal with any shortcomings.

The relationship between HRM and L&D

There has been considerable debate, mainly amongst academics, on the organizational relationship between HRM and L&D (HRD). Generally, however, the consensus has been that they are closely linked and in most organizations the L&D function is part of the HR function. The Cabinet Office, as quoted by Walton (1999: 146), summed this up in 1995 as follows:

> The usual definitions of HRM and HRD often seek to put boundaries between the two. But the theoretical and practical perimeters are extremely blurred. For example, most HRM systems (eg performance management) contain a strong HRD element. In practice it is not particularly useful to maintain artificial distinctions. Indeed it could be argued that the whole system of ideas embodied in an HR approach argues for a single, integrated set of policies covering all aspects of people management.

Sambrook and Stewart (1998) concluded that HRD has been born to accompany HRM. O'Donnell et al (2006: 9) claimed that: 'It is pragmatically impossible for HRD to escape from, or to function in splendid isolation from, its parental, twin or sibling (take your choice here – it makes not one whit of difference to practice) relationship with HRM.' O'Connell (2008: 42) quoted Barry Hopley, senior L&D manager at NCP Services, as saying: 'L&D is fundamentally a specialism but it still sits with HR in NCP Services. There isn't room for two directors (one for HR and one for L&D) on the board.'

But there are problems, as mentioned by Stewart and Harris (2003: 58), who stated that: 'The favoured choice is a single department to achieve integration, consistency and synergy in resources, policy and practice.' But they also remarked that their experience suggested that: 'the relationship between personnel and training will be troubled for a while yet, with training

continuing to be the Cinderella of the HR function, even by HR profession-als. For now, it seems the relationship will continue to be "fractured" rather than integrated.'

KEY LEARNING POINTS

Role of HR function

The role of the HR function is to provide insight, leadership, advice and services on matters affecting the management, employment, development, reward and well-being of people.

Aim and role of HR function

The aim of the HR function is to introduce and sustain HR strategies, policies and practices which cater for everything concerning the employment, development and well-being of people and the relationships that exist between management and the workforce.

Increasingly the role of HR is seen to be business orientated – contributing to the achievement of sustained competitive advantage.

The HR function and its members have to be aware of the ethical dimensions of their work.

HR activities

HR activities can be divided into two broad categories: (1) strategic (transformational), which is concerned with the alignment and implementation of HR and business strategies and developing organizational effectiveness; and (2) transactional, which covers the main areas of HR service delivery – resourcing, learning and development, reward and employee relations.

HR function organization

The organization and staffing of the HR function clearly depend on the size of the business, the extent to which operations are decentralized, the type of work carried out, the kind of people employed and the role assigned to the HR function.

HR management is not a single homogeneous occupation – it involves a variety of roles and activities which differ from one organization to another and from one level to another in the same organization.

The notion of delivering HR through three major areas – centres of expertise, business partners and HR service centres – emerged from the HR delivery model produced by Ulrich.

The learning and development function

The learning and development function is responsible for formulating learning and development strategies that are integrated with and support business strategies,

developing and maintaining a learning culture, identifying learning needs, promoting workplace and self-directed learning, advising and guiding line managers on their responsibilities for training and developing their staff, developing and delivering learning events and programmes to meet identified needs, and evaluating their effectiveness.

Key aims of L&D

- Ensure that L&D strategies support the achievement of business goals, meet the learning and development needs of employees and are integrated with complementary HR strategies.
- Develop organizational learning strategies to meet organizational needs.
- Encourage and facilitate workplace learning for individuals and teams.
- Plan and deliver learning events and programmes designed to satisfy identified needs.

The role and organization of the L&D function

The L&D function may exist as part of an all-embracing HR function (eg a centre of excellence), although in some smaller organizations there may not be a distinct function – L&D will be one of the responsibilities of HR generalists. L&D is sometimes but not often a separate function.

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Questions

1 What is the fundamental role of the HR function?

2 How can HR further the achievement of sustained competitive advantage?

3 What do people mean when they say HR should be business orientated?

4 In what sense can HR be transformational?

5 What are the transactional activities of HR?

6 Are there any standardized ways in which the HR function can be organized?

7 What is the 'three-legged stool' model?

8 What is the function of a centre of expertise?

9 What is the function of a shared service centre?

10 What is the role of an HR strategic business partner?

11 What are the problems that might occur when a three-legged stool model is adopted? (Name at least three.)

12 What was the main finding of the research conducted by the CIPD in 2007 on the role and organization of the HR function?

13 What role do line managers play in HR?

14 What are the problems that might arise in enlarging the HR responsibilities of line managers?

15 How should those problems be overcome?

16 What is the overall role of the L&D function?

17 What is the purpose of the L&D function?

18 What are the key aims of the function?

19 What do L&D specialists need to do to plan and conduct effective learning events or programmes?

20 What is the relationship between L&D and HRM?